

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

AUG 13 1962

Honorable John A. McCone
Director of Central Intelligence
Central Intelligence Agency
Washington 25, D. C.

Dear Mr. McCone:

This is in reply to your request of August 2, 1962, for advice on a draft of a bill "To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes."

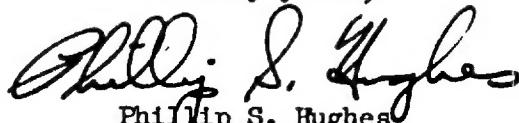
A change in the proposed Section 4 is recommended in order to define the provisions of the Foreign Service Act of 1946, as amended, to be extended to the authority of the Director of Central Intelligence. This change has been discussed with and agreed to by your staff.

In discussions with your staff, agreement has been reached that, subsequent to enactment of any legislation along the lines of your draft bill, agency regulations for the operation of the retirement and disability system and agency criteria for selection of officers and employees to be eligible for coverage under the system, will be submitted to the Bureau of the Budget for approval prior to activation of the system.

It was also agreed that, whenever the Administration seeks uniform legislation covering retirement and related provisions for personnel engaged in foreign operations, CIA will be included in such a comprehensive system.

Subject to the above, the Bureau of the Budget advises that there would be no objection to the presentation of your proposed draft bill from the standpoint of the Administration's program.

Sincerely yours,


Phillip S. Hughes
Assistant Director for
Legislative Reference